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FOR

L O W I N C O M E F A M I L I E S

NOVA SCOTIA SOCIAL SERVICES COUNCIL

NOVA SCOTIA SENIOR CITIZENS' COMMISSION

1977

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RECOMMENDATIONS

To achieve home ownership for Nova Scotians, philosophical, economic and social values and questions must be examined. Very few low income people in the population will be able to own their own homes unless this is an important goal for them in life. For most Nova Scotians to own homes, home ownership must become a priority in their spending. This will mean a real struggle for many.

The right to own one's own home must be balanced with the freedom for every citizen to reject this concept. Home ownership should not be the totalitarian answer for all housing needs. People must retain the right to use their income as they see fit, even if this means waste in the minds of some.

(1) Since there is confusion about housing delivery programs in the Province of Nova Scotia, there should be one Housing Agency in the Province. It would represent both the Province and the Federal Government in this important area of service to the people of the Province. The funds now provided by the Federal and the Provincial Governments in Nova Scotia for housing would be allocated to this new Agency. With this funding and new structure, the Housing Agency of Nova Scotia would be able to operate a competent and professional organization.

(2) There should be uniformity of housing, subdivision and servicing standards in the whole Province. One Provincial Housing Agency would make this possible. Subdivision regulations and building standards, subdivision standards and many other regulations vary from one municipal unit to the other. Uniformity should help to

stimulate home building. The regulations should be as unrestricting as possible consonant with the common good. This would include in the planning of the larger housing developments, the need for recreational facilities and the social aspects of housing.

(3) The Phased Housing or Shell Program should be re-activated. There is evidence that one danger of this program, that it become a slum housing, has not happened. The use of a basic modular home program, in conjunction with the Phased Housing Program, should be considered. Proper supervision and inspection at various stages of the Phased Housing Program should eliminate some of the problems of the past.

(4) Priority should be given to the Residential Rehabilitation Assistance Program. It was noted that many civic officials, while complimenting the Government on this program, stated that insufficient monies were made available to have a major impact on upgrading existing homes. Many rural areas suffer from deteriorating housing. The Union of Nova Scotia Municipalities has advocated this program for home upgrading.

(5) The Co-op Housing Program, as it existed, should be re-activated and further strengthened and extended. While encouraging its educational programs, eligibility for the programs should be extended to a lower income group.

(6) The down-payment program for Provincial Social Assistance (P.S.A.) clients should be reactivated. This program has helped close to 75 families to obtain home ownership.

(7) Under existing legislation and regulations, some P.S.A. clients are able to benefit from a Home Improvement Program. Many P.S.A. clients do not know of this program. A more agressive approach must be taken to see that this program is utilized to the full.

(8) A comprehensive home ownership policy should encourage efficient usage of home sizes. This should be done while respecting the rights of people, especially the aged, to choose their own life style. This could include renovations of family housing to accommodate aging relatives.

(9) A comprehensive home ownership program and home maintenance program should assist senior citizens to live independently in their own or rented homes until they wish, for personal reasons, to enter community facilities.

(10) Greater support should be given to non-profit agencies that are developing programs of home ownership and rehabilitation for low income groups under the Housing Agency as recommended in (1).

(11) Home ownership, home building and home improvement can be a stimulus to the economy. In a time of national concern about unemployment, these programs being labour intensive, can help the economy greatly and, therefore, should be encouraged.

C H A P T E R I

HISTORY

During the past three years, the Nova Scotia Social Services Council has been receiving submissions from citizens, community organizations, and social services agencies. One reoccuring concern is the lack of adequate housing in Nova Scotia and, in particular, the lack of adequate housing for those living on fixed incomes.

The 15 members of the Nova Scotia Social Services Council have held meetings throughout the Province and have found that this problem is of almost universal concern. It was agreed at the Council meeting of December 10, 1975, that the Council consider this to be a major project for the year 1976.

Coincidental to the Nova Scotia Social Services Council making this decision, the Senior Citizens' Commission, because of the briefs that were presented to it from across the Province, came to the same conclusion and established a sub-committee to study the housing needs of senior citizens.

As a result, it was decided to amalgamate for this particular study and, therefore, a task force was formed under the Chairmanship of Monsignor Colin Campbell, Vice-Chairman of the Nova Scotia Social Services Council, with the following members:

Dr. George MacKenzie, Chairman of Senior Citizens' Commission
Mrs. Edith Harvie, Canadian Persioners Concerned Inc.
Mr. Steve Dolhanty, Member of N. S. Social Services Council
Mr. Allan Clark, Member of Senior Citizens' Commission

At a meeting on January 6, 1976, the Honourable Harold Huskilson, Minister of Social Services, and the Honourable

Walter Fitzgerald, Minister in charge of the Nova Scotia Housing Commission, were informed by Monsignor Campbell of the concerns that the Council and Commission had in the area of housing. At this meeting, the Ministers agreed in principle with the joint task force. They would provide staff consultants to the task force. The Central Mortgage and Housing Corporation would also be approached to name consultants. Monsignor Campbell stated that members of the task force were not anxious to cover ground already investigated and, therefore, would limit their scope to those people on low or fixed incomes. The Ministers requested that we specifically address ourselves to: (1) the methods whereby senior citizens could be assisted in maintaining and retaining their own homes, (2) the need for rehabilitation of housing held by low income families, (3) determining what opportunities are available to provide assistance to gain home ownership for people on Social Assistance and people on Old Age Security.

The Ministers stated that staff members from their respective departments would be made available to them for consultations. These are:

Mr. E. B. S. Miller, Department of Social Services
Mr. George Matthews, Department of Social Services
Mr. Don Williams, N. S. Housing Commission (replacing Wilma Haworth who resigned in Sept. 1976)
Mr. J. A. Nelson, Central Mortgage and Housing Corporation
Ms. Leslie Oler, Central Mortgage and Housing Corporation
Miss Peggy Sanford, Department of Social Services
Mr. Michael Johnston, Executive Secretary
N. S. Social Services Council

C H A P T E R II

In this chapter we will examine programs that are available to Nova Scotians on low incomes. This will include an examination of those housing programs that serve senior citizens and those on Provincial Social Assistance. The Housing Task Force met with representatives of Central Mortgage and Housing Corporation and the Nova Scotia Housing Commission. Both of these bodies presented their written materials that are available to citizens as well as a written summary of the programs that they now offer. Moreover, each of these bodies presented summaries of programs that at one time were available and for one reason of another, were removed from the market.

The Task Force also met with a number of people who had some interest in and/or expertise in the field of housing for people on low incomes. These included developers, architects, senior officials of financial institutions, university professors and others. The appendix to this report lists the people who were interviewed by the Task Force.

When interviewing members of financial institutions, the Task Force centered on the problem, "Is it possible for families on low and fixed incomes to own their own homes?" By low and fixed incomes is meant families with a maximum of $6,000.00 per year.

The two larger lending institutions that met with the Task Force stated that there must be a 2% spread between the cost of the money and its effective lending rate. From this 2% the institution must recoup its operating expenses and its profit. When one takes into account the current cost of money and adds to

it this 2%, the representatives stated that home ownership for people in this income bracket was impossible except in special circumstances, e.g. where the land cost was donated or pre-owned or where a great amount of the cost of the home was donated in money or labour.

Both of the institutions said that they would be able and willing to lend money at any rate as long as there was the 2% spread between the cost of the money and its effective lending rate. Some time was spent debating the proposal that if the money were made available by the Government of Canada at 1%, the lending institutions could make it available to limited income people for 3%. This is, in effect, a partial home give-away. It would certainly nearly halve the effective cost of a mortgage. The formulation of such a policy would depend on the priority that the Government would give to home ownership.

Even if such a program were put in place, there is question about people on low incomes being able to afford the cost of maintaining a home. Is it any service to people to help them own a home that they cannot maintain? The recent proposed escalation of utility costs has placed this added worry before many people in the province who would not be classed as low income people. The long range implications of this should be carefully considered before any governmental program would place homes in the hands of such a group.

The average mortgage of one of the lending institutions was low. The Task Force wondered how such small amounts had placed people into home ownership. However, on further investigation, it was discovered that many of the homes were in the rural areas

of Nova Scotia and many of them were for small homes that were gradually improved over the years. At the end of 1976, the average mortgage of this company was $20,955.00. Because of the limited incomes in this target group and risks involved, the company was very careful in its processing of such mortgage applications. The company required that all mortgages be life insured. This was reflected in their rate. The pay back rate has been very good.

A very important consideration was raised by those in this field. They said that home ownership was a matter of priorities. Some people on limited incomes had been able to own their homes because this was placed as one of the first goals in life. Some people who come to Nova Scotia from other countries make home ownership the first step in becoming a citizen of Canada. Thus, at least in the initial stages, the home is overcrowded, there are few amenities, there is no colour television or stereo and the like. The family will take a standard of living that is below the Canadian average in other things so that they will own their own homes. When the inflationary factor is taken into account, these people catch up with the market in five or six years.

Most of those interviewed felt that many people are not willing to make these extreme sacrifices to own a home. The average family or couple wants all the things that people are told they need and on top of these things, they want to own a home. If their family income level is in the $6,000.00 and under range, this is not possible. It is at least doubtful that the average Nova Scotian wants a home this badly.

Developers

Four executives representing three development companies

discussed the goals of the Task Force at length. They were, perhaps, the most pessimistic of the group who met with the Task Force. They admitted that there may be exceptional cases in which low income people can own their own homes but they felt that social policy should not be based on exceptional cases but rather what was possible for the average member of society.

This group of peopld said that because of the price of land and housing in today's market in Nova Scotia, home ownership for people below the $10,000.00 family income range was not possible, assuming no government assistance. This was based not only on the experience of the companies that these four men represent, but also on research that one of the companies had done in the last year.

This group was asked about the possibilities on the concept of a large scale development of basic designed homes, e.g. shell houses. If a large tract of serviced land were made available and basic homes were used at the outset, could not the goal of home ownership be achieved? The group questioned this concept for two reasons.

First of all, the costs might be higher than anticipated. The cost of servicing the land with water and sewer systems would be considerable. Unless this cost were totally taken over by some level of government, this would mean a per house cost of additional thousands of dollars. Moreover, road, gutter and sidewalk cost would be high. Who would pay for the schools which would have to be located in this area? How would the transit system be available to take such people to places of work? Hence, the so-called cheap development might turn out to be a very expensive development.

There was a second reason why this concept might not be acceptable. It is related to social costs. Although the shell housing program has in the main been successful, it does contain risks. One of them is that some units may never be adequately completed. This can become an eyesore and can tend to be detrimental to the neighbourhood.

It was concluded from these discussions that at the present time under the existing market conditions, new housing is not available to people in the $6,000.00 and under family income range.

Queens County Housing Society

The Queens County Housing Society met with the Task Force and outlined its "grass roots" approach to housing. It outlined its program of helping people to upgrade their housing. This organization uses funds through C.M.H.C. programs (refer to program) to provide loans to people to upgrade their homes. It should be noted that these homes are mostly rural and are in varying states of repair. A committee of the Society decides, with the owner, what specific project should be carried out. A loan is then arranged for that specific project and the Society sees that it is carried out correctly. Often the cost of the home improvement is kept to a minimum by the contributed labour of the home owner. Although this is not a large project, it does show what can be done by imaginative "grass roots" leadership.

Architects

A senior partner in a Halifax based firm and a Professor of Architecture met with the Task Force. Various approaches used by community groups on the housing problem were clarified. In

Toronto, for example, a continuing co-operative has attempted to avoid the inflationary factor in housing by a co-operate purchase and sell back method. A Housing Development Corporation was formed in Toronto and has helped to control inflationary factors in that city. This approach has been suggested on a trial basis in the Quinpool area but the project did not get off the ground. The City of Halifax has considered this approach but has not acted on it.

In their opinion, home ownership is not available to people on low incomes without massive subsidies from various levels of government. The long range as well as the short range implications of these subsidies should be considered before they are put in place. Moreover, the proper method of using these subsidies should be considered before they are arranged.

A further caution was voiced. Sometimes governmental programs have resulted in poor quality housing. This should be thought of as a mistaken economy. Especially, if the housing is to be used in a hard way, housing should be built of the best quality materials that will stand hard wear. If housing deteriorates quickly, it has not been economical to build it for a low price. Moreover, the low income people who are in low cost housing will not have the income to repair it if it starts to deteriorate quickly.

Presentation from the Provincial Social Assistance Division

In considering the possibilities available to improve the housing conditions of our target population we had to determine what maximum income a Provincial Social Assistance recipient could receive for housing purposes. In September, 1976 there were

17,388 recipients of Provincial Social Assistance; 4,837 rented their accommodation and 5,689 owned their own homes with an average mortgage payment of $74.60. Of the 5,689 who owned their homes, the majority lived in the rural areas of N. S. Under the P.S.A. regulations, the maximum shelter allowance to a family of 3 or more as of July, 1977 was $193.00 including heat, electricity and water.

Therefore, it would appear that for some families, budget calculation does allow for an increase in their shelter allowances. The Department of Social Services has recognized this and has a home repair program that takes advantage of the situation.

In another presentation it was interesting to note that the Housing Commission calculated that without including shelter allowances, a family of two adults with one child needs a minimum of $471.00 per month to meet essential living costs in Nova Scotia. The maximum assistance for a family with a similar configuration on P.S.A., including housing costs, is $394.00.

Through the Department of Social Services a recipient of Provincial Social Assistance may obtain and repay a Home Improvement Loan that has been approved by the Department. Such loans would apply only to necessary repairs or renovations to the home owned and resided in by the recipient. For budget purposes, authorized loans are treated as mortgages and repayment amounts are included in the recipient's budget subject to the maximum shelter allowances according to family size.

The Home Improvement Loan is to be used, in full, to carry out essential improvements and/or repairs to the structure of

the home in which the recipient resides. Essential improvements and/or repairs would include the installation of a water and sewage system, heating system, bathroom facilities, insulation, necessary additional rooms due to family size and composition and repairs to the interior and exterior of the home. Cosmetic improvements would not be included.

Following an initial inquiry, the Director of Provincial Social Assistance determines whether or not additional assistance might be granted per month if a Home Improvement Loan were to be approved and obtained. If the recipient is not eligible to receive additional assistance, the Director of Provincial Social Assistance will so advise the recipient. When the recipient has been found eligible, the Director of Provincial Social Assistance refers the recipient's name to the Director of Rehabilitation and Community Services for follow-up action.

Arrangements are then made for a worker to visit the recipient to determine the details concerning the improvements and repairs the recipient wishes to undertake. Once the repair plan has been developed and estimates received, the completed plan is forwarded to the Director of Rehabilitation and Community Services for review. The proposal is then forwarded with recommendations to the Director of Provincial Social Assistance.

If the plan is approved the recipient is advised of the amount that may be paid per month for the repayment of the loan. With the agreement of the recipient, arrangements may be made for the assistance to be paid in trust to an official of the financial institution to ensure full repayment of the loan. Financial institutions would include a chartered bank, a credit union, trust

company, savings and loans company or other financial institutions approved by the Director of Provincial Social Assistance.

The worker will maintain contact with the recipient and assist where necessary during negotiations with the financial institution and while the repair work is being carried out. It is the worker's responsibility to keep the Director of Rehabilitation and Community Services informed of such things as the amount of the loan negotiated, the amount of the monthly payments, the starting date, and any problems which may have arisen during the process.

Social Housing Association of Cape Breton

Mr. G. Chaisson, President of the Social Housing Association of Cape Breton, was invited to make a presentation to the Task Force. Following is a history of the Association which has been summarized from written material supplied along with information presented by Mr. Chaisson.

The Social Housing Association of Cape Breton was incorporated under the Societies Act of Nova Scotia as a non-profit organization in October, 1970. The main objective of the Association was to provide homes for rent or purchase to low income families in Eastern Cape Breton. The terms of reference in respect to geographical location has since been changed and the Association may now purchase homes throughout Cape Breton Island. To June, 1976 the Association has been able to help 142 families obtain housing through National Housing Act loans through a bulk loan under Section 15.

First priority was given to large families with six children or more, with income below $4000.00 and either living in seriously overcrowded or unsanitary conditions, in condemned or

unfit housing or facing eviction. Priority was also given to families with special problems, as family heads with health problems; families with restricted purchasing power though employed, because of poor credit ratings and large debts; and large families depending on small fixed incomes.

Families were placed in the homes with the understanding that in the future they would be able to purchase the home if they met the qualifications of the purchasing agreement. Three member selection committees were set up in the various communities. The Association reserved the right to terminate rental-purchase options if monthly payments fell into arrears, if the standard of maintenance was not maintained at the level achieved through renovations at the time of purchase, and if there was not compliance with the terms in the agreement of sale.

A quiet search for suitable homes had to be carried out for fear that there would be a surge in house prices in response to the demand. Suitability of housing was based on structural soundness, size and facilities. Buildings had to be, or have the potential to be sanitary, with toilets and piped domestic water facilities and safe in terms of fire hazards. All houses were inspected by the appropriate representatives as well as being appraised by a representative of the Central Mortgage and Housing Corporation. Rehabilitation work was basic, being restricted to bringing the structure up to standards of safety, sanitation and soundness.

Monthly payments were set at principal and interest of 7 7/8% plus taxes and insurance with an additional maximum of 1½% of the cost of acquisition and rehabilitation to cover maintenance

and administration. In June, 1976 the majority of families were paying approximately $70.00 per month for their mortgages.

A follow-up study of 32 families shortly after the program was initiated, indicated that post-relocation satisfaction was high. For many, it was the first time they had relatively spacious and comfortable accommodation. Similarly, the move stimulated families to make other changes and renovations to their homes. They felt a new independence and control of the home, a sense of equality with neighbours and a pride of achievement. Social workers who had been working with the families, as well as the families themselves, indicated no adverse changes following the relocation.

As this program has been in existence for six years, naturally there have been changing conditions over the years. One of the problems they are now facing is that the mortgage rates have not been sufficient to cover the administration costs. To increase the rates could place an undue strain on the families who are presently living in the homes they have purchased. Unless funding is available in the form of a grant from either the federal or provincial government, the Association may have to cease operation. Another problem is that housing costs have escalated. If funding is received, it is anticipated that they will have to pay from $10,000.00 to $13,000.00 for future homes.

Sociologist

Our guest sociologist stressed that housing is much more than physical facilities. Very often current government and economic policies ignore this.

The concept of housing being more than a house can be looked at in two ways:

(1) The built environment either encourages psychological well-being (within and between neighbours) or it can alienate its inhabitants from each other and themselves. (Researchers have found that even the orientation of doorways can have a psychological effect on the inhabitants of a home.)

(2) A house is embedded in part of a network of services, water and sewer, libraries, schools, transportation and recreation. Without proper planning in this area, evidence suggests that there tends to be high divorce rates and alienation.

Government policies do not stimulate the appropriate approach to the above concept--what counts is the economics of building. There is no idea of planning for a social and personal environment. Developers work within the rules and those rules are economic ones. Incentives, social concerns and risks for inovative designs are rarely, if ever, taken into consideration.

The system appears to be set up so that short-term economic savings are made for the developer at the society's long-term economic loss.

Therefore, the broad recommendation is that if governments are involved in the development of housing, then social criteria be given at least equal priority to economic criteria.

Contractor

Our invited contractor spoke on the true cost of housing as it relates to interest rates, inflation and deflation. He stated that this embodies two important principles.

The first principle is this: The market has demanded a "true" mortgage interest rate of from 1% to 3% over the expected inflation rate during recent years. The second principle in the

true rate of interest is the nominal interest rate less inflation for that period which the interest is in effect. Example: 12% interest rate 1 year, 10.5% inflation 1 year = true interest rate 1.5%. For example, if a person at the beginning of 1975 bought a house for $30,000.00 and mortgaged and borrowed money for 100% of the cost and the nominal interest rate was 12%, then the total nominal interest rate would be the 12% nominal interest rate less 10.5% inflation rate = 1.5% true interest rate and the true interest costs on that home would be $30,000.00 x 1.5% - $450.00 = $37.50 per month.

In the example above, instead of the owner's equity increasing by about 1.6% per annum as would be indicated by mortgage amortization tables, his equity has increase by 1.6% by mortgage amortization and 10.5% by the new selling or remortgaging value at the end of the year.

In this case all mortgage payments in excess of $37.50 per month may be treated as money deposited in a savings account that can be drawn out at reasonably spaced periods either by reselling or remortgaging to reduce the equity back to its original amount.

He concludes then, that those who use these principles when buying a home will find their home costs much less than they expect or if they wish to use these principles in investing in real estate, they can become wealthy. Unfortunately, this principle is not recognized by the general public or by governments.

Many well-meaning public-spirited citizens were decrying high mortgage rates in the period from 1971 to 1975 while those who kept silent were quietly reaping a harvest on low real interest rates.

C H A P T E R III

This is a brief outline of Government Housing Programs with a comparison chart. The Nova Scotia Housing Commission's relationship to C.M.H.C. comes under the National Housing Act where mortgage-funding and assistance-funding are provided under various programs. C.M.H.C. is directly involved in delivering the AHOP program and part of the senior citizens' program. The Nova Scotia Housing Commission is directly involved in delivering part of the senior citizens' program as well as the co-op and Rural and Native Housing Program. Basically, Central Mortgage and Housing Corporation provides much of the capital funds, and the Nova Scotia Housing Commission is active in land acquisition, design and construction management, in addition to sharing in capital and operating costs. The following is a generalized outline of responsibilities*:

Role	Federal	Provincial
Capital Funding	75-90%	10-25%
Operating Costs	75-90%	10-25%
Need & Demand Studies	Minor	Major
Programming	Minor	Major
Land Acquisition	Minor	Major
Design & Tender	Minor	Major
Technical Approvals	Major	Minor
Contract Management	Minor	Major
Housing Management	Minor	Major

*Each role is assigned to one or other of the partners for approval by the other; however, in some cases the roles overlap.

See Appendix A for outline of Nova Scotia Housing Commission programs.

1. Phased Housing (Shell Housing) 1971-1973

The basic idea underlying the phased house construction techniques was to bring a unit of housing to a stage of construction which would permit occupancy. The owner-occupant then completed the house in his spare time as his savings dictated. Central Mortgage and Housing Corporation had provided mortgage funds and the interest rate of the loan was subsidized, depending on income. No down payment was required as the owner's equity was in the form of the interior finishing work.

This program was cancelled in 1973, partly due to construction problems and partly because the co-op program was being emphasized.

If this program were active today, the income range, land cost and housing cost would probably be similar to the proposed new co-op program.

An outline of the program, as it was operated, is attached. See Appendix B.

One evaluation of Shell Housing by a knowledgeable official is the attached letter from Mr. J. A. Nelson. See Appendix C.

2. Rural and Native Housing 1974

This program became active in 1974-75. It mainly provides financing for home ownership in selected rural areas where housing is of a low quality. Payments are geared to income, and in some cases are as low as the provincial shelter allowance

under the P.S.A. payment schedule. A non-profit group is required in the delivery system and a certain amount of sweat equity is involved.

This program is unique, in that it provides home ownership for very poor families. However, this also means that it is an expensive program to operate and thus will be limited in its application.

Two hundred units are planned under this program in the 1977-78 budget.

A brief description of the program is attached. See Appendix D.

3. The Assisted Home Ownership Co-operative Program (Old Program) 1937 - 1975

The Co-operative Program was a group building program. A co-op group had to be incorporated as a legal company. Generally five to six members would form an ideal housing group. The Nova Scotia Housing Commission administered to total program, from financing through inspection and mortgage collection.

Mortgage amounts were available up to a maximum of $29,500.00. The Nova Scotia Housing Commission could make loans of up to 95% of the house price. The remaining 5% was to be made up by the individual through sweat equity, land or cash. Income range for the program was $5,000.00 - $15,000.00.

Families of two or more people could qualify for a loan, but to qualify they had to have had dependents.

Program outline is attached. See Appendix E.

4. Self Help Housing Program (New Program) - 1977

This proposed program is designated to meet the housing

needs of the middle and lower income families of Nova Scotia, while retaining some aspects of earlier housing programs which have proved successful.

This program is sometimes known as AHOP/CO-OP program and will enable people, earning between $6,500.00 and $10,000.00 per year, to purchase a house. Families will be required to make a 10% down payment either in cash or in "sweat equity."

Loan amounts will be based on $23,000.00 for construction costs plus the actual costs will include the well and septic tank. It is anticipated that maximum land costs will be $6,500.00 in the Metro area and $4,500.00 in all other areas.

The income scale, which will qualify for this program, will be from approximately $6,000.00 to $13,000.00, after which the family will be encouraged to apply to Central Mortgage and Housing Corporation for their AHOP program. Persons will be required to pay 25% of their income for mortgage payment. For those persons who cannot afford to make the 25% payments, there will be a subsidy of $1,200.00 per year and if needed, there will also be an Interest Reduction Loan to lower the interest rate to 8%.

The Nova Scotia Housing Commission is anticipating construction of 500 units during 1977. A preliminary program outline is included. See Appendix F.

5. Family Public Housing 1953 - 1975

The Nova Scotia Housing Commission had a program which provided public housing units to low income families. The units which are rented on a rent-to-income scale (attached - see Appendix G) are constructed by the Nova Scotia Housing Commission and Central

Mortgage and Housing Corporation and are then operated by local housing authorities. The housing authority is responsible for taking all applications and day to day maintenance.

At this time there are approximately 3,700 applications on hand for family public housing units. The income of these applicants is in the $4,000.00 to $8,000.00 range. To date we have 2,698 units constructed with a moratorium placed on the construction of any further units.

6. Senior Citizens' Public Housing 1968

The Nova Scotia Housing Commission constructs senior Citizens' housing units throughout the Province. These low rise apartments are self-contained one-bedroom units, usually constructed in rows, and are designed so the individual can maintain the unit.

Occupants are normally senior citizens who are on a limited income and in reasonably good health. Rent payments are based on income and the same scale of payments as public housing is used.

At present there are approximately 2,500 applications on hand.

A program of assistance to senior citizens to maintain their own homes has been considered but is not now actively being investigated.

7. Home Repair Program

The home repair program (Rural and Native Rehabilitation Assistance Program) is now universal (see Appendix H) but 1977 funds have already been allocated by Central Mortgage and Housing Corporation, the Nova Scotia Housing Commission, and the non-profit

groups. Under this program, if a house requires work to bring it up to an adequate level of safety and comfort, the homeowner can borrow up to $10,000.00 for effecting repairs. Up to $3,750.00 of this loan is forgiveable depending on the borrower's income.

8. Emergency Repair Program

The Emergency Repair Program (Rural and Native Rehabilitation Assistance Program) is for emergencies only. If a house is in need of immediate repair, and the family has no means of making necessary repairs, a grant of up to $1,700.00 is available under this program.

The main objective is to keep the residents warm and dry. This program has been used mainly by the Native Council of Nova Scotia. In order to qualify, the work must take place in areas outside designated NIP or R&NH areas where rehabilitation is currently available.

9. Assisted Home-Ownership Program

The Assisted Home-Ownership Program does not exclude people earning less than $10,000.00 and can reach people with incomes as low as $6,000.00. As of the end of September, 1976 approximately 20% of AHOP purchasers had family incomes below $10,000.00. If we consider those families who obtained their financing directly from C.M.H.C., as opposed to private lenders, 35% earned less than $10,000.00 per year.

The Assisted Home-Ownership Program did cover existing, as well as new, dwellings in the past but, in 1976, only new construction qualified. The reason for excluding existing units was to concentrate on increasing the supply of new moderately

priced houses. The employment and income generated from new construction was a key factor in the decision.

10. Neighbourhood Improvement Program

The purpose of the Neighbourhood Improvement Program (NIP) is to encourage and support efforts of municipalities to improve the physical environment and develop social and recreational amenities in selected neighbourhoods. The housing aspect of NIP is to promote a better community or neighbourhood environment in which to live. R.R.A.P. is the vehicle by which houses are actually repaired and rehabilitated. In urban areas, in order to qualify for Residential Rehabilitation Assistance Plan, the house must be in a NIP area. Repairs under R.R.A.P. cannot be started unless the NIP area is in the implementation stage. In the past, repairs under R.R.A.P. could be started after selection on the NIP area or during the planning stage, depending on conditions outlined in the NIP agreement. For NIP areas just "coming on stream", R.R.A.P. does not take effect until the implementation stage has been reached.

APPENDIX A

NOVA SCOTIA HOUSING COMMISSION HOUSING PROGRAMS

	IN EFFECT	INCOME RANGE	(APPROX) AVERAGE	CHARACTERISTICS	COMMENTS
1. Phased Housing (450 units built approximately)	1971-1973	$6,000-10,000	$8,000	Mortgage Financing Subsidized Interest Home Ownership Sweat Equity	Cancelled
2. Family Public Housing	1953-1975	$2,000-8,000+	$3,000-5,000	Subsidized Rental Point System	Moratorium Extensive Waiting Lis
3. Senior Citizens Public Housing (3,413 units built)	1968-			Subsidized Rental Age Restriction Point System	C.M.H.C. & N.S.H.C. Activity
4. Old Co-op (7,500 units built)	1937-1975	$5,000-12,000	$10,000-12,000?	Mortgage Financing Subsidized Payments Subsidized Interest Owner Built	Cancelled
5. New Co-op	1977-	$6,000-13,000	-	Mortgage Financing Subsidized Payments Subsidized Interest Owner Built	Not Yet in Effect
6. Native & Rural (226 units built or under construction)	1974-	0-$11,000	$3,000-4,000	Mortgage Financing Subsidized Payments Subsidized Interest Home Ownership Sweat Equity	Limited to Selected Areas of 2,500 Population or Less

APPENDIX B

SCHEDULE "A"

P H A S E D H O U S I N G (Not now in Effect)

GOVERNMENT SPONSORED PROGRAM

BY

NOVA SCOTIA HOUSING COMMISSION

AND

CENTRAL MORTGAGE AND HOUSING CORPORATION

*NO IMMEDIATE CASH OUTLAY

*LOW INTEREST RATES

*HOUSES BUILT BY NHA STANDARDS

*HOME OWNERSHIP FOR LOW AND MODERATE INCOME FAMILIES

PHASED HOUSING

The purpose of the Phased Housing Program is to make homeownership available to those who could not normally afford to purchase their own home.

WHAT IS A PHASED HOUSE?

The basic idea underlying the phased house construction technique is to bring a unit of housing to a stage of construction which will permit occupancy. The owner-occupant then completes the house in his spare time as his savings dictate.

A number of small house designs are utilized in the phased housing program. Exteriors are completed and painted and the lot rough graded. Interiors are incomplete. Outside walls are insulated and covered with unfinished gyproc while interior bearing partitions are installed and left without cladding. Only bathrooms and stairwells will be enclosed. Floors will be plywood and the upper ceilings will be insulated and covered with polyethylene. A forced, hot air heating system will be installed. Doors will only be hung on exterior entrances and on the bathroom. Kitchens will have sinks and faucets and partial kitchen cupboards. Bathroom fixtures will include sink, toilet and bathtub and tile will be applied to 18 inches around the tub. Electrical service will be that which is normally installed.

WHAT CAN YOU DO ...

It is suggested that if you feel you are unable to complete the interior of the unit that you consider possible assistance from friends and relatives. The Nova Scotia Housing Commission is prepared to assist purchasers with the direction and guidance on

completion of interiors.

What the interior of a phased house will eventually look like is left to the imagination and resources of the individual purchaser.

HOW TO OWN A PHASED HOUSE

One of the main objectives in the phased house program is to get low and moderate income families into homes of their own.

Mortgage financing for phased housing will be provided directly from Central Mortgage and Housing Corporation, the Federal Housing Agency. Both Central Mortgage and Housing Corporation and the Nova Scotia Housing Commission are prepared, depending on the purchaser's income, to subsidize the interest rate on the loan. No immediate cash outlay will be required; the owner's equity will be his own resources and energy invested in the completion of the house interior after he takes occupancy.

A subsidized mortgage loan, based on the income level of the borrower will be granted on the basis of a 25 year amortization term with a possible extension to 30 years if required. Interest rate subsidization will be subject to re-negotiation every five years. The owner may sell his house at any time, but immediately a sale takes place, the interest rate on the loan will revert to the maximum rate established at the time of making the loan.

We encourage you to investigate the phased housing program further, by contacting Central Mortgage and Housing Corporation, Regional Offices of the Nova Scotia Housing Commission and the below noted Building Contractor. Information will be supplied concerning sale prices, income qualifications and other matters which you wish to clarify.

N.S.H.C. REGIONAL OFFICES

Halifax Middleton

Sydney New Glasgow

C.M.H.C.

Suite 700, 5251 Duke Street

Halifax, N. S.

BUILDING CONTRACTOR

Central Mortgage and Housing Corporation
Société centrale d'hypothèques et de logement

Nova Scotia Regional Office
Bureau régional du Nouvelle-Écosse

APPENDIX C

March 9, 1977

SHELL HOUSING

The Shell Housing Program was developed to assist low income people, to purchase their own homes. The idea of shell housing was to produce low cost units that people could finish when they could afford it.

A survey of shell housing owners was carried out in 1976 in New Brunswick, which found that:

1. Typical shell owner today is:
   - an original purchaser;
   - a two parent family - 2 to 3 children - head is 35;
   - previously rented an apartment or house;
   - income of $ 10,000.00;
   - one wage earner;
   - employed as industrial labour or service occupation.

2. Cost:
   - monthly mortgage payments average $ 116.00 ($ 104.00 for original buyers and $ 154.00 for later buyers);
   - 40% of original shell owners pay less than $ 100.00 monthly for P.I.T.;
   - shelter/income ratios are low with most owners paying less than 25% of their incomes for total shelter costs. Less than 10% of owners have shelter costs exceeding 40% of income;
   - average original purchase price was $ 12,000.00 except in St. John, where it was $ 15,000.00;
   - 2/3 of owners had increased shelter costs when they bought their houses;
   - shell housing is successful in delivering housing that people can afford - this is related to the low level of initial payments and rising incomes.

3. Quality of shell houses:
   - shell houses have had a lot of construction problems; 70% of owners had some problems with their house;
   - most common problem was with basements (38%) ; 21% had roof problems; 17% insulation; 13% poor windows;
   - houses had enough space for average sized families, but were too small for families with more than 4 children.

.... 2

4. Finishing Houses:

- 96% of shell houses have been brought up to 90% completion by CMHC standards.

5. Comments/Positive:

- majority of original purchasers have kept their houses;
- speculation small;
- program reached low income earners ( ) and the majority of purchasers incomes have risen so that shelter costs are within their resources;
- most owners finished their houses using their own labor and doing the work progressively as they could afford it;
- most purchasers were glad to have the opportunity to buy a house - strong preference expressed for ownership;
- most of the housing is good quality, although houses are too small for larger families, unless basements are completed.

6. Negative:

- original quality of construction was not always satisfactory and has created some problems that have cost the owners more expense;
- the sites and locations of shell housing are frequently unattractive and of poor quality. This has created drainage problems for owners later on. The clustering of housing in one subdivision does not seem to be as successful as where the houses are more scattered. The large subdivision in Moncton and a smaller area in Grand Falls have a reputation of being slum areas. Resales are difficult and satisfaction is adversely affected;
- shell housing provided no explicit subsidy which owners are aware of. There is no subsidy or assistance available when a purchaser's income is reduced which makes mortgage payments difficult, if not impossible;
- there is some difficulty with resale of shell houses. Owners expect to be able to recover the cost of completing the house or for improvements. For the most part, these expectations were fulfilled; however, in depressed markets and in areas where shell housing was not attractive, resale is extremely difficult;
- since there are no subsidies available on resale, a family would require an income over $ 10,000.00 to afford a $ 25,000.00 unit. Families in this income range would find AHOP terms attractive, thus making resale of shell housing under present circumstances difficult.

Conclusion:

Shell housing has achieved home ownership for lower income families for relatively low subsidy costs. Even allowing for higher administrative costs, the program is a cheap alternative when compared with other housing programs available for low income earners. The benefits from both the public and individual owners appear to outweigh the costs.

J.A. Nelson
Co-ordinator, Research and Planning

JAN/jp

APPENDIX D

THE RURAL AND NATIVE HOUSING PROGRAM

Under the Rural and Native Housing Program funds are available to areas with a population of 2,500 or less, for the construction of new houses and to provide loans to low income people who want help in repairing and rehabilitating substandard dwellings.

The program refers to rural areas which possess the poorest housing and lowest income persons in the Province. Repayment of loans are based on ability to pay and in accordance with the Mortgage-Repayment-to-Income scale.

Individual loans are amortized over a 25 year period. If, according to a scale based on income, individual payments are insufficient to meet full amortization charges Federal/Provincial partnership will make up the difference between what a family can afford and the full monthly principal interest, and tax charges. This loss will be borne by the Federal/Provincial partnership in a 75% - 25% ratio.

Communities are selected or targetted based upon previously known poor housing areas or requests from local M.L.A.'s, Municipal Authorities, Groups or interested parties. Initial requests may be directed to the Nova Scotia Housing Commission or Central Mortgage and Housing Corporation.

Once an area becomes targetted, C.M.H.C. organize a non-profit group to deliver the program. This organization will be required to become incorporated and enter into agreements with C.M.H.C. for the construction of houses, to become the prime contractor.

The initial survey of an area will determine the families that would be eligible for the units, and the number of units suitable for the residential rehabilitation portion of the program. Houses may be constructed under contract by modular home plants or stick by stick method with the final all in cost not to exceed $26,000.00. All agreements and contacts must be approved by the Province and at the completion of the construction the units will be sold to the families identified in the initial survey.

APPENDIX E

THE ASSISTED HOME OWNERSHIP CO-OPERATIVE PROGRAM (Old Co-op Plan No longer in effect)

1. This program is sponsored by the Nova Scotia Government in close co-operation with the Federal Government. The new co-op program has been adjusted to meet the requirements under the federal legislation called Assisted Home Ownership. The provincial government has supplemented the assistance offered by the Federal Government, making home ownership a greater possibility for many more Nova Scotia families.

2. The Nova Scotia co-operative housing program is a building co-operative. The Province is adapting its building co-operatives to take advantage of the new home ownership aspects of the Federal legislation. The purchasing of existing homes must go through Central Mortgage and Housing Corporation. The Province will make available the same assistance for those families purchasing homes.

3. The co-operative program is a group building program. A co-op group must be incorporated as a legal company under the Companies Act of the Province. The group must have at least three members, having officially elected officers (president, secretary, treasurer). Generally speaking, five to six members would form an ideal housing group.

4. Under the co-operative housing program, mortgage money comes from the Nova Scotia Housing Commission. The Nova Scotia Housing Commission administers the total program from financing through inspection and mortgage collection. The Nova Scotia

Housing Commission has four regional offices as well as a main office. The co-operative housing program is administered through the regional offices throughout the province.

Bedford - P. O. Box 870, Sunnyside Mall Ph. 835-9995

Sydney - P. O. Box 1267, Provincial Bldg. Ph. 539-6450

New Glasgow - P. O. Box 481, New Glasgow Ph. 755-3387

Middleton - P. O. Box 758, Middleton Ph. 825-3483

5. Mortgage amounts are available up to a maximum of $29,500.00 depending on the area and on family income. Basic unit prices are set by C.M.H.C. for different areas in the province. The Nova Scotia Housing Commission can make loans of up to 95% of the established basic unit price. The 22% adjusted family income and the basic unit price are used to determine the amount of assistance for each member. Over and above that mortgage up to a maximum of $29,500.00, the Commission may allow a member to pay up to 25% of his gross family income for mortgage payments.

Example - Halifax BUP is $29,500.00. Mortgage available would be approximately $27,000.00. Mortgage rate at the present time is 9½%. There is no down-payment required in the co-operative program.

6. Income range - approximately $5,000.00 - $13,000.00 Adjusted Family Income. A family income of $4,000.00 could qualify for a mortgage of approximately $15,000.00. It is debatable whether a family can construct a home for $15,000.00.

7. Monthly Payments without Assistance - can range from $150.00 to $240.00 per month for principal, interest and municipal taxes.

Examples			Principal and Interest		Tax		Total
23,500.00	9¼%	35 yrs.	189.84	+	57.00	=	246.84
22,000.00			177.72	+	55.00	=	232.72
20,000.00			161.57	+	50.00	=	211.57
18,000.00			143.41	+	45.00	=	188.41
16,000.00			129.25	+	40.00	=	169.25
14,000.00			113.10	+	35.00	=	148.10

The 9¼% is the going NHA rate which is subject to change up to the time of the conditional loan approval. The going commercial rate would be around 10½% - 11%.

9¼% 35 years 8.078 per $1,000.00 per month

8. Assistance -

Two basic forms of assistance:

(1) Effective reduction in interest rate 1¼% approx. - 9¼% - 8%

(2) $900.00 per year or $75.00 per month

Example

23,500.00	9¼%	35 years	189.84
23,500.00	8%		164.70

Difference is $25.14 per month or $301.68 per year.

The total possible assistance in a given year could be $301.68 + $600.00 + $300.00 = $1201.68. The total possible assistance in a given month could be $25.14 + $50.00 + $25.00 =$100.14.

9. Adjusted Family Income is determined by the Commission and the individual family and has to be officially declared at the interest adjustment time. Assistance is based on the declared adjusted family income and the amount of the mortgage. The individual mortgage will then be reviewed after five years. In no case will the subsidies increase after the review. After the first five year review, reviews are then made every 2½ years.

Adjusted Family Income includes 100% husband's income plus 100% the wife's income. If the wife earns more than $1,000.00 the total family income is reduced by $1,000.00. There is also a reduction of $300.00 per dependent child.

Example

Family with 4 children - to arrive at the adjusted family income you would take away $1,200.00.

The co-operative program is based on the fact that members do much of the construction themselves. The member has up to 12 months to build his home. Members should attempt to understand building methods and understand material costs.

Payments are made by the Commission through the group lawyer then to the individual who must obtain signature of group signing officers. The maximum number of progress payments is seven. The first payment is made to pay for land. The seventh payment is a holdback of 15% for 45 days as a protection against any possible liens. The five payments in between are payments for work in place as approved by the Nova Scotia Housing Commission supervisors. Nova Scotia Housing Commission supervisors will be making regular inspections. This is extremely important in the first stages of building including lot approval, house plan and proper siting on lot and then on into construction.

Many members will be building on lands owned by the Nova Scotia Housing Commission. No member should buy a lot until the lot has been approved by the Nova Scotia Housing Commission, assurance given by the municipality that immediate services (water and sewer) will be supplied. In rural areas, approval must be given by the Municipality, Department of Health, Department of

Highways. If at all possible, members should build in established serviced areas. Search of title by a lawyer and a survey by a N.S.L.S. are the first steps after lot has been approved for building. Building permits are also required.

Families wishing to build under the co-operative housing program must participate in a basic education program. This program will deal with the legal aspects of co-operative housing, detailed financial information, procedures to be followed in the group and basic construction principles. It is also highly recommended that the group, once formed, should attempt to meet regularly to study all aspects of building, material and costs. The greater the effort by the members in the education program, the less costly his house will be. The education program should also help to eliminate some of the frustrations in building a home of your own.

10. Type of Mortgage

Individual Co-operative Mortgage - Individual responsibility for repayment of loan. Process payments individually.

11. Term of Mortgage

35 years

Assistance is based on a 35-year mortgage. It is possible for families to pay off the mortgage at a shorter period of time with no penalty.

Members of co-operative housing groups are not permitted to start construction until they have been given definite permission to build.

For new construction of family units the Provincial Government gives a rebate of up to $500.00. The rebate is given

after the house is completed. For co-op members the rebate may be paid in the first or second year. Members must retain invoices and apply to the Provincial Tax Commission.

What families qualify for the co-operative housing program? Income, in many cases, determines families who can participate in this program. The range goes anywhere up to about $13,000.00 adjusted family income.

Members usually build single family units. However, it is possible for members to build in semi-detached units or in row housing.

COMPARATIVE MONTHLY PAYMENTS

INCOME	LOAN AMOUNT	PERIOD & RATE	PRINCIPAL & INTEREST	PROPERTY TAX	MONTHLY PAYMENT	MORTGAGE THROUGH
$4,000	16,100	35 years @ 9 1/2%	130.06	35.00	165.06	N.H.A.
$4,000	16,100	35 years @ 8%	112.84	35.00	73.33	Co-op* Assistance
$4,000	16,100	35 years @ 10 1/2%	141,84	35.00	176.84	$75 Interest Rate
$6,000	19,900	35 years @ 9 1/2%	160.76	45.00	205.76	Commercial Rates
$6,000	19,900	35 years @ 8%	139.74	45.00	110.00	N.H.A.
$6,000	19,900	35 years @ 10 1/2%	175.32	45.00	220.32	Co-op*Assistance
$8,000	23,500	35 years @ 9 1/2%	189.84	50.00	239.84	$75 Interest Rate
$8,000	23,500	35 years @ 8%	164.70	50.00	146.67	Commercial Rates
$8,000	23,500	35 years @ 10 1/2%	207.04	50.00	257.04	N.H.A.
$10,000	23,500	35 years @ 9 1/2%	189.84	50.00	239.84	Co-op* Assistance
$10,000	23,500	35 years @ 8%	164.70	50.00	183.33	$75 Interest Rate
$10,000	23,500	35 years @ 10 1/2%	207.04	50.00	257.04	Commercial Rates

*Supplemented by $50.00 assistance from federal government and $25.00 from provincial government for the maximum assistance of $75.00 a month.

ootnote - underlined - reduced interest rate plus all or part of $900.00 subsidy.

N O V A S C O T I A H O U S I N G C O M M I S S I O N

ASSISTED HOME OWNERSHIP CO-OP PROGRAMME

1975

TABLE 1 Gross Family Income

TABLE 2 Adjusted Family Income

TABLE 3 Families by Number of Children

GROSS FAMILY INCOME

County	$4001-5001	$5001-6000	$6001-7000	$7001-8000	$8001-9000	$9001-10111	$10001-11000	$11001-12000	$12001-13000	$13001-14000	$14001-15000	$15000+	TOTA
Annapolis	-	2	2	3	4	-	1	2	3	3	1	-	21
Antigonish	-	-	3	7	4	6	-	2	1	2	-	-	25
Cape Breton	-	7	21	37	64	65	53	32	19	19	11	5	333
Colchester	-	1	3	5	3	6	4	9	1	1	-	2	35
Cumberland	-	-	2	2	-	1	2	-	-	-	-	-	7
Digby	-	2	2	-	1	2	1	-	-	-	-	-	8
Guysborough	-	2	2	4	1	-	-	-	-	-	-	-	9
Halifax	-	2	3	16	41	36	67	72	45	20	11	7	320
Hants	-	-	4	5	6	7	10	4	-	1	2	-	39
Inverness	-	-	4	8	5	5	3	2	6	4	2	-	39
Kings	-	3	11	13	4	3	6	8	6	4	-	-	58
Lunenburg	1	1	2	3	3	5	7	1	3	-	-	1	27
Pictou	-	-	1	6	7	1	6	5	3	1	-	1	31
Queens	-	2	-	1	1	-	-	-	-	-	-	-	4
Richmond	-	-	-	1	2	-	1	1	-	-	-	-	5
Shelburne	-	1	2	1	-	-	-	-	-	-	-	-	4
Victoria	-	2	-	2	-	1	1	2	1	-	1	-	10
Yarmouth	-	-	4	4	2	4	1	-	1	-	1	-	17
TOTALS	1	25	66	118	148	142	163	140	89	55	29	16	992
	0.1%	2.5%	6.7%	11.9%	14.9%	14.3%	16.4%	14.1%	9.0%	5.5%	2.9%	1.6%	

GROSS FAMILY INCOME

REGION I	$4001-5000	$5001-6000	$6001-7000	$7001-8000	$8001-9000	$9001-10000	$10001-11000	$11001-12000	$12001-13000	$13001-14000	$14001-15000	$15000+	TOTA
Cape Breton	-	7	21	37	64	65	53	32	19	19	11	5	333
Inverness	-	-	4	8	5	5	3	2	6	4	2	-	39
Richmond	-	-	-	1	2	-	1	1	-	-	-	-	5
Victoria	-	2	-	2	-	1	1	2	1	-	1	-	10
Sub Total	-	9	25	48	71	71	58	37	26	23	14	5	387
		2.33%	6.46%	12.40%	18.35%	18.35%	14.98%	9.56%	6.72%	5.94%	3.62%	1.29%	100
REGION II													
Antigonish	-	-	3	7	4	6	-	2	1	2	-	-	25
Colchester	-	1	3	5	3	6	4	9	1	1	-	2	35
Cumberland	-	-	2	2	-	1	2	-	-	-	-	-	7
Guysborough	-	2	2	4	1	-	-	-	-	-	-	-	9
Pictou	-	-	1	6	7	1	6	5	3	1	-	1	31
Sub Total	-	3	11	24	15	14	12	16	5	4	-	3	107
		2.80%	10.28%	22.44%	14.02%	13.08%	11.22%	14.95%	4.67%	3.74%		2.80%	100%

REGION III	$4001-5000	$5001-6000	$6001-7000	$7001-8000	$8001-9000	$9001-10000	$10001-11000	$11001-12000	$12001-13000	$13001-14000	$14001-15000	$15000+	TOTA
Halifax	-	2	3	16	41	36	67	72	45	20	11	7	320
Hants	-	-	4	5	6	7	10	4	-	1	2	-	39
Sub Total	-	2	7	21	47	43	77	76	45	21	13	7	359
		.55%	1.95%	5.85%	13.09%	11.98%	21.45%	21.17%	12.54%	5.85%	3.62%	1.95%	100
REGION IV													
Annapolis	-	2	2	3	4	-	1	2	3	3	1	-	21
Digby	-	2	2	-	1	2	1	-	-	-	-	-	8
Kings	-	3	11	13	4	3	6	8	6	4	-	-	58
Lunenburg	1	1	2	3	3	5	7	1	3	-	-	-	31
Queens	-	2	-	1	1	-	-	-	-	-	-	-	4
Shelburne	-	1	2	1	-	-	-	-	-	-	-	-	4
Yarmouth	-	-	4	4	2	4	1	-	-	-	1	-	17
Sub Total	1	11	23	25	15	14	16	11	13	7	2	1	139
	.72%	7.91%	16.55%	17.99%	10.79%	10.07%	11.51%	7.91%	9.35%	5.04%	1.44%	.72%	
OTAL	1	25	66	118	148	142	163	140	89	55	29	16	992
	.11%	2.52%	6.65%	11.91%	14.92%	14.31%	16.43%	14.11%	8.97%	5.54%	2.92%	1.61%	100%

ADJUSTED FAMILY INCOMES

County	# Families in Income Groups: $3000-4000	$4001-5000	$5001-6000	$6001-7000	$7001-8000	$8001-9000	$9001-10000	$10001-11000	$11001-12000	$12001-13000	$13001-14000	$14000+ 15000	TOTAL
Annapolis	-	-	2	4	3	2	1	1	3	5	-	-	21
Antigonish	-	-	2	8	3	4	4	1	-	2	1	-	25
Cape Breton	-	3	17	31	61	64	57	41	25	20	8	6	333
Colchester	-	-	3	8	1	5	7	6	2	1	-	2	35
Cumberland	-	-	2	2	-	2	-	1	-	-	-	-	7
Digby	1	-	1	2	-	3	1	-	-	-	-	-	8
Guysborough	-	2	2	4	1	-	-	-	-	-	-	-	9
Halifax	-	1	2	12	32	40	54	73	55	30	15	6	320
Hants	-	-	1	5	7	7	8	7	2	1	1	-	39
Inverness	-	-	3	5	7	6	4	2	5	3	4	-	39
Kings	-	1	10	10	9	4	6	7	7	3	1	-	58
Lunenburg	-	1	2	2	2	10	4	3	1	2	-	-	27
Pictou	-	-	1	3	6	4	6	3	5	1	1	1	31
Queens	-	1	1	-	2	-	-	-	-	-	-	-	4
Richmond	-	-	-	1	2	-	-	-	1	1	-	-	5
Shelburne	-	-	3	1	-	-	-	-	-	-	-	-	4
Victoria	-	-	3	1	-	-	2	1	1	1	1	-	10
Yarmouth	-	1	2	2	4	3	3	-	-	1	1	-	17
TOTALS	1	10	57	101	140	154	157	146	107	71	33	15	992
	.2%	1.0%	5.7%	10.2%	14.1%	15.5%	15.8%	14.7%	10.8%	7.2%	3.3%	1.5%	

ADJUSTED FAMILY INCOME CO-OP 1975

REGION I	$3000-4000	$4001-5000	$5001-6000	$6001-7000	$7001-8000	$8001-9000	$9001-10000	$10001-11000	$11001-12000	$12001-13000	$13001-14000	$14000+	TOTAL
Cape Breton	-	3	17	31	61	64	57	41	25	20	8	6	333
Inverness	-	-	3	5	7	6	4	2	5	3	4	-	39
Richmond	-	-	-	1	2	-	-	-	1	1	-	-	5
Victoria	-	-	3	1	-	-	2	1	1	1	1	-	10
Sub Total	-	3	23	38	70	70	63	44	32	25	13	6	387
		.77%	5.95%	9.81%	18.09%	18.09%	16.28%	11.37%	8.27%	6.46%	3.36%	1.55%	100
REGION II													
Antigonish	-	-	2	8	3	4	4	1	-	2	1	-	25
Colchester	-	-	3	8	1	5	7	6	2	1	-	2	35
Cumberland	-	-	2	2	-	2	-	1	-	-	-	-	7
Guysborough	-	2	2	4	1	-	-	-	-	-	-	-	9
Pictou	-	-	1	3	6	4	6	3	5	1	1	1	31
Sub Total	-	2	10	25	11	15	17	11	7	4	2	3	107
		1.87%	9.35%	23.36%	10.28%	14.02%	15.89%	10.28%	6.54%	3.74%	1.87%	2.80%	100%

REGION III	$3000-4000	$4001-5000	$5001-6000	$6001-7000	$7001-8000	$8001-9000	$9001-10000	$10001-11000	$11001-12000	$12001-13000	$13001-14000	$14000+	TOTAL
Halifax	-	1	2	12	32	40	54	73	55	30	15	6	320
Hants	-	-	1	5	7	7	8	7	2	1	1	-	39
Sub Total	-	1	3	17	39	47	62	80	57	31	16	6	359
		.28%	.84%	4.74%	10.86%	13.09%	17.27%	22.28%	15.88%	8.63%	4.46%	1.67%	100
REGION IV													
Annapolis	-	-	2	4	3	2	1	1	3	5	-	-	21
Digby	1	-	1	2	-	3	1	-	-	-	-	-	8
Kings	-	1	10	10	9	4	6	7	7	3	1	-	58
Lunenburg	-	1	2	2	2	10	4	3	1	2	-	-	27
Queens	-	1	1	-	2	-	-	-	-	-	-	-	4
Shelburne	-	-	3	1	-	-	-	-	-	-	-	-	4
Yarmouth	-	1	2	2	4	3	3	-	-	1	1	-	17
Sub Total	1	4	21	21	20	22	15	11	11	11	2	-	139
	.72%	2.88%	15.11%	15.11%	14.39%	15.83%	10.79%	7.91%	7.91%	7.91%	1.44%		100%
TOTAL	1	10	57	101	140	154	157	146	107	71	33	15	992
	.10%	1.01%	5.75%	10.18%	14.11%	15.52%	15.82%	14.72%	10.79%	7.16%	3.33%	1.51%	

FAMILIES BY NO. OF CHILDREN

TOTAL # OF CHILDREN 2,028
OF FAMILIES 992
AVERAGE # CHILDREN/FAMILY 2.04 CHILDR

County	# Families With 0 Children	1	2	3	4	5	6	7	8	9	TOTAL
Annapolis	1	8	7	4	1	–	–	–	–	–	21
Antigonish	–	8	8	3	2	1	3	–	–	–	25
Cape Breton	19	129	97	43	20	13	5	2	3	2	333
Colchester	1	8	13	7	4	2	–	–	–	–	35
Cumberland	–	1	5	–	1	–	–	–	–	–	7
Digby	–	–	6	1	1	–	–	–	–	–	8
Guysborough	–	4	2	1	1	1	–	–	–	–	99
Halifax	12	105	117	53	22	9	2	–	–	–	320
Hants	–	13	16	6	3	1	–	–	–	–	39
Inverness	3	10	15	6	3	0	1	1	–	–	39
Kings	2	20	16	13	3	3	1	–	–	–	58
Lunenburg	–	10	9	6	1	1	–	–	–	–	27
Pictou	1	16	4	6	3	0	1	–	–	–	31
Queens	–	1	2	1	–	–	–	–	–	–	4
Richmond	–	2	2	–	–	1	–	–	–	–	55
Shelburne	–	2	1	–	1	–	–	–	–	–	4
Victoria	2	3	3	2	–	–	–	–	–	–	10
Yarmouth	2	10	4	1	–	–	–	–	–	–	17
TOTALS	43	350	327	153	66	32	13	3	3	2	992
	4.3%	35.3%	33.0%	15.4%	6.7%	3.2%	1.3%	0.3%	0.3%	0.2%	

APPENDIX F

SELF-HELP HOUSING PROGRAM

The Nova Scotia Housing Commission has been involved in Self-Help Co-operative Housing Programs in Nova Scotia since its inception in 1938 when the first houses were constructed in Cape Breton. Throughout all its various changes, this program has played a vital and important role in providing housing for Nova Scotians, successfully producing some 7,300 homes.

With the suspension of this program in 1976, the Nova Scotia Housing Commission feels that there is a large proportion of the population of Nova Scotia whose needs are not being met by Central Mortgage and Housing Corporation's present Assisted Home Ownership Program. It is our desire to reassume the role of a mortgage lender and implement a co-operative Self-Help Housing Program for Nova Scotia.

PROGRAM OUTLINE

The proposed program is designed to meet the housing needs of the middle and low income families of Nova Scotia, while retaining some aspects of earlier housing programs which have proved successful.

Co-operative Self-Help

It is the feeling of the Housing Commission that individual identification with a group united to achieve a common goal is essential to a successful education process. The Nova Scotia Housing Commission intends to initiate a co-operative education program with the emphasis placed on "co-operative education."

A mother co-operative will be established for the entire province. An applicant will be issued a share in the co-operative and, upon completion of the education course, will leave the co-operative with a certificate of completion. These education sessions will be mandatory and loan approval will not be given until the applicant has received his completion certificate.

The Regional Offices will form individuals into smaller groups within the mother co-operative and these groups will be processed through the education meetings and documentation for loan approval as units. Once loan approval is granted, persons will be dealt with individually for the purposes of inspection, progress advancement and close out.

While previous education material presented to builders has been effective, our feeling is that more emphasis must be placed on the costing aspect of construction. To this end the focus will be placed on the preparation of thoroughly researched cost estimates. Applicants, in groups, must investigate and compare, for their mutual benefit, the cost of all material and specialized labour in order to maximize completion of their unit.

Low mortgage amounts and rigid control of expenditures will inject a larger degree of self-help into the program. The degree of completion over and above what the loan amounts will allow, will depend upon the amount of his own labour the individual can supply.

Loan Amounts and House Sizes

The Housing Commission will provide a number of house plans from which the applicant can choose and no other designs will be eligible under the program. These plans will provide

some variety of style but the maximum floor area for any unit will be 960 sq. ft.

Loan amounts will be based on $23,000.00 for construction costs plus the actual land costs. In cases of unserviced lots, the actual costs will include the provision of well and septic tank. It is anticipated that maximum land costs will be $6,500.00 in the Metro area and $4,500.00 in all other areas of the province.

Progress Advance

The basis for progress advancing will be on percentage completed, invoices and the individual's cost estimate sheet. Items not listed on the original cost estimate sheet will not be paid for and where the cost of items or services are in excess of the amounts originally estimated, the balance must be paid by the individual.

Income Qualifications and Payment

The income scale which will qualify for this program will be from approximately $6,000.00 to that level at which a person might reasonably expect to qualify for an Assisted Home Ownership Program mortgage. Only those families with dependents will be eligible for the program. Persons will be required to pay 25% of their qualifying income which is defined as 100% of all family income less $900.00 per year for a working spouse.

Grants and Repayable Assistance

It is anticipated that this program will be financed under Section 40 of the National Housing Act with a 75%/25% cost sharing of capital subsidy.

The first assistance to be applied will be a grant, up to a maximum of $1,200.00 per year. This assistance is not

repayable and will be available (based on a two year salary review) as long as it is needed to keep the applicant's payment to 25% of his qualifying income.

In those cases where the first assistance will not provide the applicant with a maximum mortgage, an Interest Reduction Loan (IRL) will be available. The loan will reduce the current interest rate to 8% and will be repayable. As assistance is reduced by salary review the reduction will be applied firstly to the IRL. The IRL will be interest free for the first five years, after which the outstanding balance will be subject to the prevailing compound interest rate from year six to the time of repayment. The IRL will consist of a second mortgage signed at the same time as the first mortgage.

Once an individual ceases to receive the IRL, repayment presents several options. The second mortgage may be paid out at any time within the first five years with no interest penalty or at any time after the sixth year so long as the accrued interest is also paid. Repayment need not begin until he no longer needs the grant subsidy at which time repayment of the principal IRL balance plus the accrued interest will begin and must be completed within the remaining life of the first mortgage. The individual may also repay the second mortgage in any shorter time span which he feels is feasible for his income.

An individual, if he wishes, may accept a lesser mortgage rather than receive the IRL for which he may qualify. In no circumstances, however, will he be able to reduce his mortgage amount below the level for which 25% of his qualifying income plus his own maximum grant qualifies him.

For the purpose of calculating an applicant's repayment and assistance, an estimate of the actual property tax for his area will be used.

SUMMARY

A. This is a Self-Help Co-operative Housing Program in tradition of previous Nova Scotia Programs.

B. Maximum mortgage amounts of $27,500.00 and $29,500.00 for basic minimum housing.

C. Grant subsidy of not more than $1,200.00 per year.

D. An Interest Reduction Loan when needed to lower the prevailing interest rate to 8%. This loan will be the last assistance applied and the first removed.

E. The IRL is interest free for the first five years and offers several repayment options.

   (1) Lump sum repaid within the first five years, no interest penalty.

   (2) Lump sum plus accrued interest repaid any time after the sixth year.

   (3) Monthly installments beginning at the end of the support period and of any duration so long as it does not exceed the remaining life of the first mortgage.

F. Payments based on 25% of the individual's qualifying income which consists of 100% of the family income less $900.00 for a working spouse.

G. Financed under Section 40 of the National Housing Act with a 75%/25% capital and subsidy cost sharing agreement.

NEED FOR PROGRAM

The need for such a program is made quite clear in Appendix A, where an analysis of the impact of the present AHOP Program is carried out. The incomes of the borrowers, while falling into a fairly wide range, do not occur in the same distribution pattern as family incomes in Nova Scotia in general.

APPENDIX G

GRADUATED RENTAL SCALE
FULLY SERVICES ACCOMMODATION IN PUBLIC HOUSING PROJECTS
FOR FAMILIES AND SENIOR CITIZENS

FULLY SERVICED - Supplied with heat, water, hot water, stove and refrigerator.

The monthly rent shown opposite income applies until the next income change shows

MONTHLY			MONTHLY			MONTHLY			MONTHLY		
Family Income	$ Rent	%	Family Income	$ Rent	%	Family Income	$ Rent	%	Family Income	$ Rent	%
0 to 192	32	16.7	$266	56	21.2	$340	80	23.5	416	104	25.
$195	33		269	57		343	81		420	105	
198	34		272	58		346	82		424	106	
201	35	17.4	275	59	21.6	349	83	23.9	428	107	25.
204	36		278	60		352	84		432	108	
207	37		281	61		355	85		436	109	
210	38	18.1	284	62	22.0	358	86	24.0	440	110	25.
213	39		287	63		361	87		444	111	
216	40		290	64		364	88		448	112	
220	41	18.6	293	65	22.3	367	89	24.2	452	113	25.
223	42		296	66		370	90		456	114	
226	43		300	67		373	91		460	115	
229	44	19.2	303	68	22.5	376	92	24.5	464	116	25.
232	45		306	69		380	93		468	117	
235	46		309	70		383	94		472	118	
238	47	19.7	312	71	22.9	386	95	24.6	476	119	25.
241	48		315	72		389	96		480	120	
244	49		318	73		392	97		484	121	
247	50	20.2	321	74	23.1	395	98	24.8	488	122	25
250	51		324	75		398	99		492	123	
253	52		327	76		401	100		496	124	
256	53	20.7	330	77	23.4	404	101	25.0	500	125	25
260	54		333	78		408	102		504	126	
263	55		336	79		412	103		508 and up		25

TO CALCULATE MONTHLY RENT FOR UNSERVICED ACCOMMODATION, subtract from the appropriate serviced monthly rent the estimated local cost of heat, water and hot water for the type of units in the project. Where a stove or refrigerator is not provided, subtract an additional $1.00 per month for each item.

The above scale provides the rental rate for a family or individual with no children. A reduction in this rent of $2.00 per month is allowable for each child with a minimum rent of $28.00 a month regardless of the number of children. The $2.00 reduction is intended for all families except where rentals are paid out of a welfare allowance. In addition, the $2.00 reduction may be applicable to foster children if the funds for keeping the children are included in the gross family income.

Central Mortgage and Housing Corporation
Société centrale d'hypothèques et de logement

Nova Scotia Regional Office
Bureau régional du Nouvelle-Écosse

APPENDIX H

March 15, 1977

Mr. Colin Campbell, Chairman
Task Force on Housing
Nova Scotia Social Services Council
P.O. Box 696
HALIFAX, Nova Scotia

Dear Mr. Campbell:

This is a summary of information requested on CMHC programs together with eligibility criteria.

(a) Rural and Native Housing - In order to qualify for this program, the family must be in a targetted community (population less than 2,500) and be in need of adequate housing. This program, which is cost-shared 75/25 with the Province, provides low-income families (below $ 6,000) with an opportunity to purchase a new house or rehabilitate their existing house. The maximum price of new houses must average $ 26,000 in a project and payments for principal, interest and taxes are geared to 25% of family income.

Targetted communities are agreed to by the Province (N.S.H.C.) and C.M.H.C. The priority is to assist those most in need of housing in rural areas. There are targetted communities in every county.

Consideration has been given to opening up this program to cover all communities in Nova Scotia with population below 2,500, but agreement with the Province has not been reached on this issue.

(b) The home repair program (Rural and Native Rehabilitation Assistance Program) is now universal but 1977 funds have already been allocated by CMHC, N.S.H.C., and the non-profit groups. Under this program, if a house required work to bring it up to an adequate level of safety and comfort, the homeowner can borrow up to $ 10,000 for effecting repairs. Up to $ 3,750 of this loan is forgiveable depending on the borrower's income.

..... 2

(c) The Emergency Repair Program is for emergencies only. If a house is in need of immediate repair, and the family has no means of making necessary repairs, a grant of up to $1,700 is available under this program.

The main objective is to keep the inhabitants warm and dry. As far as I can determine, this program has been used mainly by Non-Status Indians and Métis in Nova Scotia. In order to qualify, the work must take place in areas outside designated NIP or R&NH areas where Rehab is currently available.

(d) The Assisted Home-Ownership Program doesn't exclude people earning less than $10,000 and can reach people with incomes as low as $6,000. As of the end of September 1976, approximately 20% of AHOP purchasers had family incomes below $10,000. If we consider those families who obtained their financing directly from C.M.H.C. as opposed to private lenders, 35% earned less than $10,000 per year.

The Assisted Home-Ownership Program did cover existing as well as new dwellings in the past but, in 1976, only new construction qualifies. Presumably, the reason for excluding existing units was to concentrate on increasing the supply of new moderately priced houses. The employment and income generated from new construction was probably a key factor in the decision.

(e) The new AHOP/COOP program just announced will enable people earning between $6,500 and $10,000 per year to purchase a house costing up to $28,000. Families will be required to make a 10% down payment, either in cash or in "sweat equity".

(f) The purpose of NIP is to encourage and support efforts of municipalities to improve the physical environment and develop social and recreational amenities of selected neighbourhoods. The housing aspect of NIP is in promoting a better community or neighbourhood environment in which to live. R.R.A.P. is the vehicle by which houses are actually repaired and rehabilitated. In urban areas, in order to qualify for RRAP, the house must be in a NIP area. Repairs under RRAP cannot be started unless the NIP area is in the implementation stage. In the past, repairs under RRAP could be started after selection of the NIP area or during the planning stage depending on conditions outlined in the NIP agreement. For NIP areas just coming on stream, RRAP does not take effect until the implementation stage has been reached.

Yours truly,

J. A. Nelson
Coordinator, Research and Planning

JAN/em

APPENDIX I

A memorandum was sent to the members of the Housing Commission and C.M.H.C., asking them to review the following statistics re the income of P.S.A. recipients and state whether programs under their jurisdiction could be used by P.S.A. recipients. The following is the material presented to these members and their reply:

AVERAGE FAMILY SIZE, AVERAGE MONTHLY INCOME, AVERAGE MONTHLY SHELTER EXPENSES FOR SELECTED PROVINCIAL SOCIAL ASSISTANCE RECIPIENTS, JUNE, 1977

	Wife of Disabled	Wife Of Prisoner	Divorced Mother	Widow	Deserted Wife	Unmarried Mother	Dependent Father	Tota (1
No. of Family Units	354	39	880	1321	2003	1541	1342	748((2
Average Family Size	4.4	2.7	3.3	3.2	3.3	2.5	4.5	3.4 (3
Average non-PSA Family Income	$260	$189	$246	$235	$253	$139	$302	$23 (4) (
Average PSA Payment	$326	$307	$289	$243	$292	$237	$294	$27 (6
Average Total Family Income	$586	$494	$535	$478	$545	$376	$596	$50 (7
Average Family Shelter Expenses	$98	$147	$146	$212	$143	$100	$109	$13 (8

NOTES:

(1) Categories of P.S.A. recipients were selected as those most likely to include family groups. In the event, the average family sizes above may be compared to the average family size of 2.1 for all 17,000 P.S.A. recipients. (31/03/76)

NOTES: Continued

(2) A total of 7480 P.S.A. recipients are included in the selected categories (42% of the total recipients).

(3) Average family size was calculated from the P.S.A., June, 1977, monthly financial & control statistics, table SS51.2A (Provincial). For each category, a total of:

2 x (1 adult; 1 child) +
3 x (1 adult; 2 child) +
4 x (1 adult; 3 child) +
5 x (1 adult; 4 child) +
+
3 x (2 adults; 4 child)+ .... etc. was determined. The average was the total divided by the number of family units in each category.

(4) Average non-P.S.A. family income means all other recorded sources of income. Included are U.I.C., C.P.P., earned income, among about 25 others. This is a monthly amount.

(5) Average non-P.S.A. family income was calculated from the P.S.A., June 1977, monthly financial & control statistics, table SS51.2D (Provincial). For each category, the bottom row of page 2 of the table was used for total income. The average per family was calculated as in (3) above.

(6) Average P.S.A. payment was calculated from the P.S.A., June 1977, monthly financial & control statistics, table SS51.2C (Provincial). For each category the right most column (i.e. TOTAL), second row of each cell in the column was used for total P.S.A. payment. Averaging as above.

(7) The arithmetic sum of the two previous rows.

(8) Average family shelter expenses was calculated from the P.S.A., June 1977, monthly financial & control statistics, table SS51.2B (Provincial). For each category, the amount (second row)

of total, head of house (shelter costs)
total, with spouse
total, with parents
free
board
institutional

were added to get a grand total shelter cost. Averaging as above.

Shelter costs refers to <u>actual</u> (rather than allowed) shelter costs.

NOVA SCOTIA HOUSING COMMISSION

P.O. BOX 815 • DARTMOUTH, NOVA SCOTIA • B2Y 3Z3

HEAD OFFICE
In Reply Please Quote
File No. 190-210-2

July 14, 1977

Michael K. Johnston
Nova Scotia Social Services Council
P. O. Box 696
Halifax, Nova Scotia

Dear Mike:

RE: Housing Task Force

Further to your letter of July 4 and your request for information on the application of our housing programmes to the family make-up/income situations you provide, I supply the following:

Nova Scotia Housing Commission Co-Op Programme

The present Co-op Programme would, from a monthly cost consideration, suit those families who have in excess of $125 to spend for mortgage and taxes. The programme would however for the following reasons suit only exceptional cases among those listed in your table:

1. The programme delivery and cost structure is based on sweat equity approach which would make it very difficult for many of the single parent families or anyone disabled or unable to put the time and work into building their own home.

2. The monthly costs for heat, electricity and maintenance might be too great for these families when added to the mortgage and taxes outlined in the attached table (Table 1).

3. The programme's total funding is limited to some extent to the number of units to be built and the geographic areas in which it is available. It is also applicable only to new homes and not suitable for inner city areas where many of these people live.

. . . 2

Public Housing (Family and Senior Citizens)

For the family situations being considered the Public Housing Programme of the N.S.H.C./C.M.H.C. partnership applies and has the greatest potential for meeting the need across a full range of family make-up, income, geographic location and social situations. The programme though is limited by the costs to the public of providing and maintaining stock of housing to meet the need. For this reason there has, over the past two years, been no new construction of family public housing. The other "limitation" to this programme is a concern for the "environment" of these housing projects as they have been provided in the past and its suitability from considerations over and above providing shelter.

For senior citizens housing the programme has continued on a large scale and should soon have success at meeting the demand for housing by senior citizens in almost all areas of the Province.

A copy of the "Graduated Rent Scale" is included (Table 2) which shows the monthly rent required in both senior citizens and family public housing as being within the range of allowances for shelter as outlined in survey of p.s.a. recipients.

I hope this is the information you require. However, if you have any questions, please let me know.

Yours truly,

Don W. Williams
Co-ordinator of Planning Design

DWW:lpn
Attachments

Central Mortgage and Housing Corporation
Société centrale d'hypothèques et de logement

Nova Scotia Regional Office
Bureau régional de la Nouvelle-Écosse

September 7, 1977

Mr. Mike Johnston
4th Floor, Johnston Building
Nova Scotia Social Services Council
Hollis Street
HALIFAX, Nova Scotia

Dear Mike:

Further to our conversation this morning, Provincial Social Assistance recipients are eligible for assistance under Rural Residential Rehabilitation Assistance Program.

Yours truly,

J.A. Nelson
Co-ordinator, Research
& Planning
N.S. REGIONAL OFFICE

JAN/jp

Pontac House
Historic Properties
Halifax, Nova Scotia
B3J 1S9

Maison Pontac
Propriétés Historiques
Halifax (Nouvelle-Écosse)
B3J 1S9

APPENDIX J

In addressing ourselves to the problem of housing, our main method of approaching the subject was to interview people in the community who, we thought, could clarify for us the need for housing and, at the same time, recommend methods of meeting this need. However, to further clarify our thoughts, we took a cursory look at the literature on housing, including a review of the Royal Commission on Education, Public Services and Provincial-Municipal Relations to obtain its views on the housing situation in Nova Scotia.

In reviewing the literature, it was noted that in Nova Scotia we do not have an accurate picture of the housing stock and its state of repair. This was verified in a presentation from the Executive Director of the Housing Commission. Therefore, looking at the picture in Nova Scotia, we are relying on general research that has been carried out in Canada. A comprehensive book on the housing is called "Programs in Search of a Policy" by Michael Dennis and Susan Fish. In their book they state that: "If one compares the shelter-to-income ratio for the bottom 20% of the income distribution with that of the average family, the bottom group spend twice as great a proportion of their income for shelter. When the comparison is made with the top quintile, the bottom group spend 2½ times as much. If one looks at renting households only, the situation is even worse, with the bottom 20 per cent spending three times the proportion which the top group spends.

Similarly, the poor are much more likely to live in older housing which is in need of structural repairs or lacks essential plumbing or heating facilities. In 1961, those in the bottom quintile were three times as likely as the average household to be living in

a unit in need of major repair and eight times as likely as the top quintile. They were almost twice as likely as the average, and almost four times as likely as the top quintile to lack adequate heating systems."[1]

This is also verified by research carried out by a task force on low income housing in 1971 entitled "Nova Scotia and New Brunswick, an Institutional Analysis." It states that the housing situation of the low income sector is much worse in population centres considered small towns and rural areas. "62% of households in centres of under 15,000 population in the Atlantic Provinces have an income of less than $5,000.00, although the households in this income bracket are 98% owner occupied, and 44% do not have an indoor toilet and 27% are without running water."[2]

They also go on to show that "except for the 'small urban' centres where there is little difference, the percentage of home owners is greater among low-income groups in the Atlantic than low-income groups in Canada."

"In rural areas, both in the Atlantic region and in Canada, the percentage of low-income households, which are owner-occupied, is actually higher than the average for the area and (with exception of 'small urban' centres where there is little difference) low-income households are more likely to own their

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1. Programs in Search of a Policy - Low-Income Housing in Canada, Michael Dennis and Susan A. Fish, Toronto: Hakkert, 1972, p. 5.

2. Nova Scotia and New Brunswick; An Institutional Analysis, Task Force on Low-Income Housing, Working Paper No. 5, Central Mortgage and Housing Corporation, October, 1971, p. 74.

own homes in any of the area classifications in the Atlantic region than in Canada."[1]

Therefore, we know that the poor in Nova Scotia pay more of their income on housing than other economic groups; low-income groups own more houses, percentage wise, than in the rest of Canada; and finally, the following quote from the literature will indicate that low income earners have poor housing.

"..... not surprisingly, the majority of units requiring repairs were occupied by low income households. The poorest fifth of all owner households occupied 44 per cent of all units in need of major repairs and 30 per cent in need of minor repairs. The bottom two-fifths occupied 74 per cent of all units needing major repairs and 59 per cent of all units needing minor repairs."[2]

"In 1967, only 19 per cent of Canadian households lived in rural areas. They had a disproportionate share of the unsatisfactory housing in the country. That can be seen from the 1961 census data, in which more than two-fifths of units needing major repairs and one-third of units needing minor repairs were in rural areas. It can also be seen in a comparison of the housing conditions of rural and metropolitan households in 1967."[3]

It is also indicated in the same book that 2/3 of all units requiring major repairs, 2/3 without central heating and 3/4 lacking

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1. Programs in Search of a Policy - Low-Income Housing in Canada, Michael Dennis and Susan A. Fish, Toronto: Hakkert, 1972, p. 47

2. Ibid, P. 47

3. Ibid, P. 49

running water and flush toilets were occupied by low-income households. Therefore, we have to realize that most of them are living in rural areas, owning their own homes, and having those homes in poor condition. These facts are important when considering making monies available for rehabilitation of existing dwellings.

Government Roles

In talking with the experts in the housing field and from comments we have received from recipients of the services, it became evident that we should look at the role of the different levels of government. Please see Recommendation No. 1. We have backing on this recommentation from Dennis and Fish.

"..... we see the role of the federal government as primarily one of planning, program development, research, experimentation, co-ordination. Our review of a number of programs makes it clear that their major defects (both at the federal and provincial levels) stem from a lack of clearly stated goals and a failure to monitor implementation to determine the degree to which stated goals have been achieved."

"Rather than continue the present system of project planning by one level of government and approval of another, we recommend that the federal government enter into block lending agreements, similar to those made with Quebec, allowing the provinces to lend money for social housing purposes without individual project approval by the federal agency. Little is given away under the proposal as federal leverage under the existing funding arrangements is minimal."[1]

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1. Programs in Search of a Policy - Summary and Recommendations, Michael Dennis and Susan A. Fish, Toronto: Hakkert, 1972, p. 23.

There is a close connection between poor housing and social problems. Many of the families that our Housing Commission is responsible for are clientele of the Department of Social Services. We, in Recommendation No. 1, suggested one Minister for both Departments. The Graham Report of 1974 stated in Volume I, Summary and Recommendations, the following:

"We are impressed by the close connection between the activities of the Department of Social Services and of the Nova Scotia Housing Commission. As we show in Chapter II.8, the programs of the Department extend beyond services to families in need of social assistance. They include a number of programs that relate to senior citizens. Very often, family problems relate closely to, or spring from, inadequate housing. The activities of the Housing Commission for the foreseeable future can be expected to relate primarily to the needs of senior citizens and families with low or moderate incomes. While the clientele of the Department and the Commission are by no means identical, there is considerable overlapping."

"We recommend, therefore, that to provide the necessary co-ordination between the activities of the Department and of the Commission, the Minister responsible for the Nova Scotia Housing Commission should be the Minister of Social Services."[1]

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1. Nova Scotia Royal Commission on Education, Public Services and Provincial-Municipal Relations, Summary and Recommendations, Vol. I & II, Queens Printer, Halifax, N. S: 1974, p. 1-II-7.

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3. The Assisted Home Ownership Co-operative Program, Extension Department, St. Francis Xavier University, Sydney, Nova Scotia, 1975.

4. Nova Scotia and New Brunswick; An Institutional Analysis - Task Force on Low Income Housing, Working Paper No. 5, Central Mortgage and Housing Corporation, 1971.

5. A Low-Income Housing Policy for 1971 - Alternatives for Choice, Policy Planning Division, Central Mortgage and Housing Corporation, January, 1971.

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8. Nova Scotia Data Package, 1976-1977-1979, Corporate Planning Division, Central Mortgage and Housing Corporation, January, 1976.

9. Static Housing Need Model, a Model to:
   (1) Identify and Measure Housing Need
   (2) Analyze Housing Need in an Urban Area, Paterson Planning and Research Ltd., Scarborough, Ontario: November, 1973.

10. Nova Scotia Royal Commission on Education, Public Service and Provincial-Municipal Relations, Queen's Printer, Vol. I & II, Halifax, N. S.: 1974.